

Housing Task Force - Phase III Assignment #1

Housing Development Inventory Templates

An inventory of Montana Housing Development Successes and Challenges From ~2020 to Present

Examples of Montana Housing Development **Successes***

	Development Name	Location (city and county)	Type of Development (single-family, multiplex subdivision, other)	Number of Units (quantity)	Permit Footprint (acres)	Attributes to Study Further (list of key factors)
1	Milwaukie Apartments	Great Falls / Cascade County	Multi-Family / Patio Style Apts	121	4.74	Successful partner with the City for a rezone and public park easement
2	West Ridge Subdivision	Great Falls / Cascade County	Single Family Sub. / Multi-Family	Phase 9 - 28 Ph. 10 - 70	20.31	Planned Unit Development (PUD) Zoning
3	Meriwether Crossing	Great Falls / Cascade County	Single Family Sub. / Multi-Family	83	21.04	Planned Unit Development (PUD) Zoning
4	Trinity Apartments	Missoula / Missoula	Low Income Housing Multifamily with Services Center	202	7.07	Lender working with borrower regarding rate during a rapid interest rate environment. Multiple Sources of Support-Use of Missoula and State HOME funds, Housing Trust Funds, City of Missoula Land Contribution, Missoula CIP/MRA Grant and County Grant to cover multiple cost increases.

5	The Hogan	Missoula / Missoula	Multifamily	36	x	New 55+ development in Riverfront neighborhood adjacent to downtown Missoula. The city code granted flexibility on mandatory parking for this specific project, meaning the builder was able to provide more units and work out an agreement with a nearby church on allowing residents to lease spots there if needed. Project would be much smaller and more expensive if the developer was forced to build more parking on-site.
6	MRM Unified Campus	Billings / Yellowstone	Low Income Housing Multi-family and Homeless Shelter	29 (160 beds)	1.347	Lender working with borrower regarding rate during a rapid interest rate environment. Multiple Sources of support: ARPA Funds, TIF Grants and \$12M in Foundation/Grants and Campaign funds to cover multiple cost increases.
7	Arrowleaf / Perennial Apartments	Bozeman / Gallatin	Low Income Housing Multifamily with Clinic and Daycare	232	16.17	Lender working with borrower regarding rate during a rapid interest rate environment. Multiple Sources of support: Bozeman discount for permit fees and assistance with the construction of the Low-Income Clinic and Daycare.

8	Junegrass Place	Kalispell / Flathead	Low Income Multifamily	138	5.87	Lender working with borrower regarding rate during a rapid interest rate environment. Low interest funds from the MBOH Coal Trust Funds, Kalispell City Support.
9	Riverview Apartments	Big Sky / Gallatin-Madison	Low Income Multifamily	25	1.09	Lender working with borrower regarding rate during a rapid interest rate environment, Multiple Sources of support: \$1.5M MBOH Coal Trust Low Interest Loan, \$500k Magnet Loan, \$1.2M Big Sky Resort Tax Funds, ARPA Funda, Big Sky Community Land Trust purchase of the property.

*Success is defined broadly in terms of relative time to completion, meeting the budget, resource availability, and/or other criteria.

Housing Task Force - Phase III Assignment #1

Housing Development Inventory Templates

An inventory of Montana Housing Development Successes and Challenges From ~2020 to Present

Examples of Montana Housing Development **Challenges***

	Development Name	Location (city and county)	Type of Development (single-family, multiplex subdivision, other)	Number of Units (quantity)	Permit Footprint (acres)	Attributes to Study Further (list of key factors)
1	Wheatridge (not approved)	Great Falls / Cascade County	Mixed Residential	Phase 1 - 37	Ph 1 - 20.98	Entitlement denied, Site Issues (Stormwater)
2	Castlepines	Great Falls / Cascade County	Townhomes	26	1.66	Labor Shortages
3	Aurora	Great Falls / Cascade County	Multi-Family, Patio Style Apts	283	12.21	Labor Shortages
4	Arc	Great Falls / Cascade County	Multi-Family, Patio Style Apts	216	9.20	Labor Shortages
5	Meadowlark / South Park Additions	Great Falls / Cascade County	Single-family Residences	13 vacant lots	33	Soils/Geotech
6	Trinity Apartments	Missoula / Missoula	Low Income Housing Multifamily, Permanent Support Housing with Services Center	202	7.07	There were a 30% increase in construction costs, quickly rising interest rates of 3%+, materials not being available for 6+ months.

7	<no name>	Throughout Western MT	Manufactured home communities	25-50	x	76-3-504 MCA requires a subdivision review for all manufactured home communities and RV parks, even when units are rented on a single lot. No such requirement for multiple sites built single-family houses on a single lot. The law seems inconsistent.
8	<no name>	Missoula / Missoula	Multifamily	8-10	7,000 sq ft lot	The architect wants to build a small four story apartment building in a walkable neighborhood adjacent to downtown. Allowed under zoning, but MT Building Code requires a second staircase and this would reduce # of units, driving up the cost of the remaining ones. The National Fire Protection Assoc. model code allows four story buildings with one staircase. Other states/cities allow one staircase with 5-6 stories. Many historic buildings in Montana have just one staircase.
9	<no name>	Missoula / Missoula	Multifamily	4	~3,000 sq ft lot	The developer wants to build internal wall to split a three-bedroom unit into a two bedroom unit with a studio. Missoula's code does not currently permit this because the lot is too small. Original, unamended version of SB 323 (2023) would have legalized this.
10	<no name>	Missoula / Missoula	ADUs	∞	Existing city lots	Two attributes preventing more ADUs from coming online in Missoula: (1) <u>Size restrictions</u> . Currently, its 600 ft., means no ADUs for families. SB 528 (2023) could be tweaked to further relax local size restrictions.

						(2) <u>Non-conforming building lots.</u> ADUs are also not allowed on nonconforming lots.
11	<no name>	Missoula / Missoula	Multifamily	9	12,500 sq ft	A small infill development was delayed because proposed rezoning required a city council supermajority approval vote. This was / is triggered when 25% of surrounding neighbors object to the proposal. In this case, 27% objected to rezoning to allow for small increase in density. Parcel is currently empty except for a shed. Close to transit and Community Hospital.
12	<no name>	Philipsburg / Granite County	Manufactured home communities	25	x	77-1-904 MCA authorizes commercial leases on school trust land. "Commercial" includes multifamily, but excludes "single-family residences." What about manufactured home communities?
13	Crowley Flats	Lewistown / Fergus	Low Income Housing Multifamily	16	0.17	30% increase in construction costs, quickly rising interest rates of 3%+, materials not being available for 6+ months.
14	Riverview Apartments	Big Sky / Gallatin-Madison	Low Income Housing Multifamily	25	1.09	30% increase is construction costs, quickly rising interest rates of 3%+, 4 months + delay waiting for DEQ approval.
15	Junegrass Place	Kalispell / Flathead	Low Income Multifamily	138	5.87	30% increase is construction costs, quickly rising interest rates of 3%+, 4 months + delay waiting for DEQ approval.

16	Sunshine Village, Broadview East Apartments and Broadview West Apartments	Great Falls / Cascade	Low Income Multifamily	92	2.45	30% increase in construction costs, quickly rising interest rates of 3%+.
17	RidgeWater	Polson/Lake County	Multi-family	40	x	Project required rules deviation and still waiting for DEQ approval even though Polson agreed to DEQ-contracted reviewer. Polson may be example of a smaller rural community impacted negatively from new zoning requirements.
18	NeighborWorks	Great Falls / Cascade County	Apartments	x	x	<p>Loss of Local Affordable Apartments</p> <p>We have looked at the purchase of several large apartments in order to maintain their long-term affordability, but those types of properties are being sold to out of state investors. Some who want to maintain affordability (which is good), but others who are more interested in turning the biggest profit and eliminating any income restrictions or rent limits. All fair, but the more of these that lose affordability, the more pressure it puts on all systems for those needing stable rents, use section 8 vouchers, or are on fixed incomes. We have been looking for smaller properties and local owners who want the property to stay local. We hope to close soon on the first of this type an 8-plex called Ulmer Square in a critical neighborhood in need of revitalization.</p>

						These issues have accelerated since Covid, i.e. people looking to “buy Montana” and more so in Great Falls due to our long-time affordability that is slipping as we are now “discovered”. We are still looking for other properties in the downtown area to buy and maintain or buy and renovate for affordable housing.
19	NeighborWorks	Great Falls / Cascade County	In-Fill Homes	x	x	<p>In-Fill Homes</p> <p>Developing in-fill housing in our downtown area has been very challenging due to all of the above issues compounded by the inflated cost of homes. In the past, we would be able to purchase a blighted property for approximately \$20k and have the boarded up home removed and build a new two- or three-bedroom home to sell from \$185k to \$200k. That was difficult in the best market. To do this in the past we would receive CDBG or HOME funds. That makes it work for us to cover any loss and keep homes affordable. Other cities would only dream of being able to do this for their city. Since Covid, we are still doing in-fill homes but now the price is up to \$240k. I believe the very top of what someone under 80% AMI could afford with a deferred HOME loan from NWGF. The issue is now the cost of a lot as well as the cost of construction and foundations in our challenging soils. I am concerned that people and out of</p>

						town/state investors will hold these blighted and boarded up homes longer and continue to ask for much higher prices. This will continue to chill building new homes on these lots. In-fill homes could and should be a huge strategy for us and the city. Existing city services and infrastructure are there and become great opportunities for first time home buyers. Many of the homes that are not blighted, but in need of renovation are being sold, given only modest updates and turned into rental homes. Adding more homes to the rental market isn't always bad, but the rents are going higher than a mortgage due to the low stock and it removes a potential homeowner from our community. We need more homeowners in our downtown north and south side. The value to a community is enormous and we already have a very large rental population in our most challenging areas of the city.
20	NeighborWorks	Great Falls Meriwether Crossing / Cascade County	Single Family	83	x	<p>Meriwether Crossing Project</p> <p>These lots were completed in 2020. Our single-family development for our Owner-Built homes with USDA-RD. We developed 83 lots beside our Rockcress Commons project. We worked with local engineers, Woith Engineering, to develop the build ready lots. Many of the issues we encountered at Rockcress have been ongoing for Meriwether – both in the</p>

					<p>infrastructure and building the homes. The takeaway from this project is the cost to create the build ready lots and keep them affordable; not only those homes we build, but for the market rate lots to create \$300k to \$350k homes. We need more funds to help with the rising cost of infrastructure. For profit home building can't find build ready lots and when they do the cost of the home puts it out of range for so many hard-working middle-class buyers. These builders are going into the county where it is easier to build and are building much larger and more expensive homes. We do not have new homes for families to purchase as young middle-class first-time homebuyers or families that are moving up to a bigger home which opens more housing stock for our labor force to become 1st time homebuyers. We are currently trying to develop a similar property of 124 acres. This will be a much bigger project and a multi-year phased development, but the challenges may make it impossible. The loss to our community is not only the homes that NWGF builds, but the opportunity to build homes at a variety of different price points, styles, density, home types and small commercial opportunities. A private developer might see this land as an opportunity to build large homes on three to five acres of land.</p>
--	--	--	--	--	--

						Limiting our ability to provide more housing and boxing in the city if they do not elect to annex in.
21	NeighborWorks / Rockcress Commons	Great Falls / Cascade County	Apartments	x	x	<p>Rockcress Commons Project</p> <p>Completed in late 2020. Even with extreme delays, harsh weather, labor shortages and Covid, we successfully completed the project. We had a lot of value engineering prior to building to make the budget work and our partner out of Washington was able to infuse their own funds to guarantee the project. Not all for-profit developers would be so willing to make sure a project gets off the ground to create affordable housing. We need more incentives for those groups to develop affordable homes. We see now more are going for market rate because the affordable programs that use tax credits don't always pencil out with the rent levels needed. This is a strong reason why we need a state housing tax credit to compliment the federal credits Montana uses. As I said this was prior to Covid and all the same issues of building cost and labor shortage are only more difficult now with supply issues, inflation, and the labor shortage is only worse with so many building projects in the region.</p>

22	<no name>	Whitefish / Flathead County	Multifamily	x	Existing city lots	Approval of multifamily project conditioned on Whitefish's "Architectural Review Committee" approving the color of the windows and lighting sconces. SB 407 (2023) abolished these design review boards, and prohibited design rules that are not "necessary to protect public health or safety." Law may need to be tightened to ensure compliance.
23	<no name>	Whitefish / Flathead County	Multifamily	x	x	The multifamily project delayed because Whitefish's "Architectural Review Committee" did not like the look of the dormers and wanted to approve the landscaping plan. SB 407 (2023) abolished these design review boards, and prohibited design rules that are not "necessary to protect public health or safety." Law may need to be tightened to ensure compliance.

*Challenge is defined broadly in terms of relative time to completion, meeting the budget, resource availability and/or other criteria.

<end of document>